referred to an independent enquiry authority as per the provisions of the Bipartite Settlements by which the service conditions of the employees are being governed.

(c) Opportunities as available under said Settlements have been provided to the concerned employees and principles of natural justice have been followed in deciding his case.

RBI inspection into the activities of NBFCs

1004. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India conduct inspections into the activities of other major Non-Banking Financial Companies including the Residuary Non-Banking Companies and if so, how often;

(b) when was the latest inspection conducted on the Peerless General Finance and Investment Ltd;

(c) whether the report has been submitted and if so, the major objections, if any, contained in the report; and

(d) what steps have been taken/are proposed to be taken with regard thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir. The inspection system of Reserve Bank envisage different periodicity of inspection depending on the size of public deposit.

(b) The Peerless General Finance & Investment Co. Ltd. (PGFIL) was last inspected by Reserve Bank of India (RBI) with reference to its financial position as on 31st March, 1999 during the period 25th October, 1999 to 10th January, 2000.

(c) Yes, Sir. The adverse features observed from the inspection include negative Net Owned Fund and non-adherence to the prudential norms in respect of creating requisite provisions against non-performing assets.

(d) The observations of inspection have been discussed by the Supervisory Committee of the Board of PGCIL with the RBI officials. The Company has been advised to forward an action plan indicating the strategy in improving the financial position of the company in a time bound manner.

Bill on Fiscal Discipline

1005. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) Whether it is a fact that a Bill on Fiscal Discipline is likely to be introduced in the monsoon session of Parliament; and

(b) whether the provisions of the Bill would be made applicable to the State Governments also whose fiscal dificits also account for major portion of central fiscal deficit and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) The Government has set up a Committee to go into various aspects of the matter concerning enactment of a 'Fiscal Responsibility Act' and recommend a draft legislation. The exercise is intended for medium-term management of the fiscal deficit with the support of an appropriate institutional mechanism embodied in a Fiscal Responsibility Act. The Finance Minister in the Budget Speech 2000-01 has indicated that the Government wishes to bring the necessary legislative proposals to the Parliament during the course of
the year.